



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

MINUTES OF THE COMMITTEE
ON
TAX POLICY

Tuesday, December 4, 2018 8:15 a.m. Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jim Tedder.

Members present: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison and Yancey.

Members absent/excused: None.

Representative Maturen moved to adopt the minutes from the Wednesday, November 28, 2018 meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee HB 6559 and HB 6560:

HB 6559 (Maturen)	Economic development; tax increment financing; reimbursement formula for tax increment revenues lost as a result of certain personal property tax exemptions; modify.
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HB 6560 (Maturen)	Economic development; brownfield redevelopment authority; reimbursement formula for tax increment revenues lost as a result of certain personal property tax exemptions; modify.
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Representative Maturen and Chris Hackbath, representing the Michigan Municipal League, spoke in support of the bills.

Ken Osborne, representing the Michigan Department of Treasury, submitted a card in support of the bills, but did not wish to speak.

The Chair laid before the committee SB 1170:

SB 1170 (Hildenbrand)	Corporate income tax; flow-through entities; entity flow-through tax; provide for.
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Fred Schaible, representing Senator Hildenbrand; Dan Papineau, representing the Michigan Chamber of Commerce; Sean Cook, representing Warner Norcross and Judd; and Mike

Johnston, representing the Michigan Manufactures Association, spoke in support of the bill. Questions and discussion followed.

Ken Osborne, representing the Michigan Department of Treasury, spoke regarding the bill but offered no position. Questions and discussion followed.

The following people submitted a testimony card in support of SB 1170, but did not wish to speak:

Alexa Kramer, representing the Grand Rapids Chamber of Commerce.
Dawn Crandall, representing the Home Builders Association of Michigan.
Jason Puscas, representing the Detroit Regional Chamber of Commerce.

The Chair returned to bills HB 6559 and HB 6560.

Representative Maturen moved to report HB 6559 with recommendation.

The motion prevailed by a vote of 8-2-3.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Byrd, Neeley.
NAYS: Representatives Johnson, Ellison.
PASS: Representatives Howrylak, Lower, Yancey.

Representative Maturen moved to report HB 6560 with recommendation.

The motion prevailed by a vote of 8-3-2.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Byrd, Neeley.
NAYS: Representatives Johnson, Ellison, Yancey.
PASS: Representatives Howrylak, Lower.

The Chair returned to SB 1170.

Representative Lucido moved to report SB 1170 with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.
NAYS: None.

PASS: None.

The Chair laid before the committee HB 5801:

HB 5801 (Crawford)	Property tax; limitation; notice of an election for a proposed increase in the total tax rate limitation; modify content of.
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Representative Lower moved to adopt the substitute (H-1) to HB 5801.

The motion prevailed by a vote of 12-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: Representative Howrylak

Representative Leutheuser moved to report HB 5801, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: None.

The Chair laid before the committee HB 6549 and HB 6550:

HB 6549 (Kahle)	Sales tax; exemptions; purchase of certain aviation equipment; exempt.
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HB 6550 (Kahle)	Use tax; exemptions; purchase of certain aviation equipment; exempt.
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Representative Kahle spoke in support of the bills. Questions and discussion followed.

The following people submitted a testimony card in support of the bills, but did not wish to speak:

Steve Young, representing the Michigan Business Association.

Dan Papineau, representing the Michigan Chamber of Commerce.

The following people submitted a testimony card in opposition of the bills, but did not wish to speak:

Peter Spadafore, representing the Michigan Association of Superintendents and Administrators.

Lisa Hansknecht, representing Oakland Schools.

Ken Osborne, representing the Michigan Department of Treasury.

Kathy Merry, representing Wayne County Regional Educational Service Agency.

Jennifer Smith, representing the Michigan Association of School Boards.

The Chair handed the gavel over to Vice Chair Maturen at 9:21 a.m.

The Chair laid before the committee SB 1097:

SB 1097 (Brandenburg) Corporate income tax; business income; new federal limitations on interest expense deductions; decouple.

Joe Martin, representing Senator Brandenburg, and Dan Papineau, representing the Michigan Chamber of Commerce, spoke in support of the bill.

Ken Osborne, representing the Michigan Department of Treasury, spoke in opposition of the bill.

The following people submitted a testimony card in support of SB 1097, but did not wish to speak:

Erik Hingst, representing Walmart.

Michah Babcock, representing the Small Business Association of Michigan.

Amy Drumm, representing the Michigan Retailers Association.

Jason Puscas, representing the Detroit Regional Chamber of Commerce.

Alexa Kramer, representing the Grand Rapids Chamber of Commerce.

Mike Johnston, representing the Michigan Manufactures Association.

The Chair laid before the committee HB 4618 and HB 5025:

HB 4618 (Byrd) Individual income tax; city; administrative procedures for city income taxes administered by the state; modify.

HB 5025 (Byrd) Cities; income tax; administrative procedures for withholding tax refunds for unpaid city income taxes administered by the state; provide for.

Dave Massaron and Ken Cole, representing the City of Detroit, spoke in support of the bills. Questions and discussions followed.

The chair went at ease at 9:40 a.m.

Chair Tedder called the committee to order and returned to the gavel at 12:48 p.m.

The chair returned to HB 4618 and HB 5025.

Representative Byrd spoke in support of the bills. Questions and discussion followed.

Representative Lower moved to adopt the substitute (H-1) to HB 4618.

The motion prevailed by a vote of 10-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, and Yancey.

NAYS: Representative Neeley.

PASS: Representative Howrylak.

Representative Neeley offered the following amendments to HB 4618 (H-1):

1. Amend page 1, line 7, after "city" by striking out "That has a population of more than 600,000 and".
2. Amend page 4, line 5, after "city" by striking out "That has a population of more than 600,000 only".

Representative Neeley moved to adopt the amendments to HB 4618 (H-1). The motion did not prevail by a vote of 2-4-6

UNFAVORABLE ROLL CALL:

YEAS: Representatives, Johnson, Neeley.

NAYS: Representatives Tedder, Maturen, Vaupel, Lower.

PASS: Representative Howrylak, Leutheuser, Lucido, Kahle, Byrd, and Yancey.

The chair went at ease at 1:02 p.m.

The chair called the committee to order at 1:11 p.m.

Representative Byrd moved to report HB 4618, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 9-2-2.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representatives Howrylak, Johnson.

PASS: Representatives Kahle, Lower.

Representative Byrd moved to report HB 5025 with recommendation.

The motion prevailed by a vote of 9-1-3.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representative Johnson

PASS: Representatives Howrylak, Kahle, Lower.

The chair returned to HB 6559 and HB 6560.

Representative Ellison moved to reconsider the vote by which HB 6559 was reported with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: None.

Representative Maturen moved to report HB 6559 with recommendation.

The motion prevailed by a vote of 11-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representative Johnson.

PASS: Representative Howrylak.

Representative Ellison moved to reconsider the vote by which HB 6560 was reported with recommendation.

The motion prevailed by a vote of 12-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: Representative Howrylak.

Representative Maturen moved to report HB 6560 with recommendation.

The motion prevailed by a vote of 11-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representative Johnson.

PASS: Representative Howrylak.

The Chair returned to HB 6549 and HB 6550.

Representative Kahle moved to report HB 6549 with recommendation.

The motion prevailed by a vote of 9-3-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Lower, Byrd, and Yancey.

NAYS: Representatives Johnson, Neeley, Ellison.

PASS: Representative Howrylak.

Representative Kahle moved to report HB 6550 with recommendation.

The motion prevailed by a vote of 9-3-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Lower, Byrd, and Yancey.

NAYS: Representatives Johnson, Neeley, Ellison.

PASS: Representative Howrylak.

The chair returned to SB 1097.

Representative Johnson moved to report SB 1097 with recommendation.

The motion prevailed by a vote of 12-1-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, and Yancey.

NAYS: Representative Ellison.

PASS: None.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 1:19 p.m.

Representative Jim Tedder, Chair

Eddie Sleeper
Committee Clerk
December 4, 2018
131 minutes

Date Approved and Signed